
FISCAL TOPICS

Fiscal Services Division

December 12, 2025



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

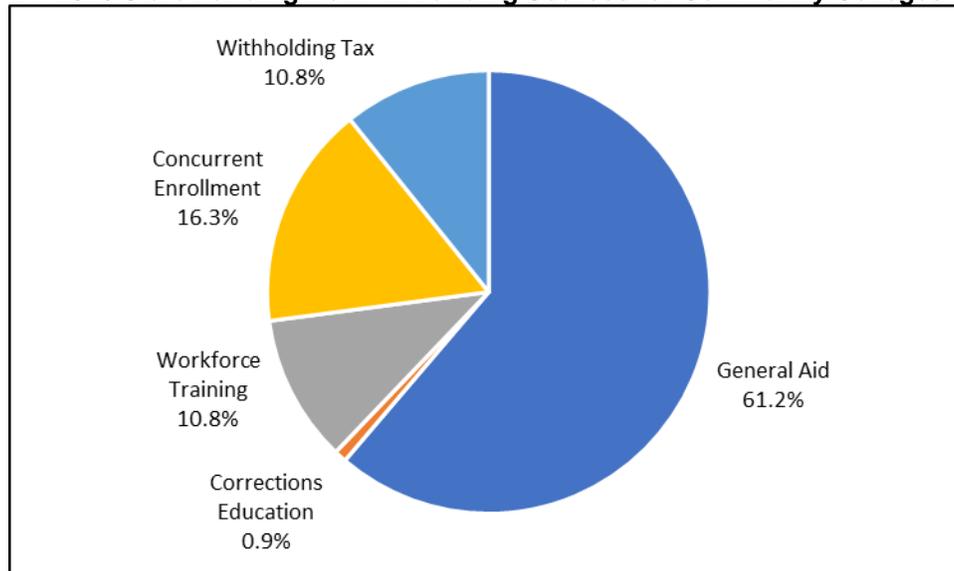
Community Colleges — State Funding

State funding is the second-largest source of unrestricted revenue for Iowa's 15 community colleges, after tuition and fees. In FY 2024, 35.4% of unrestricted general fund revenue came from State general aid, while 46.5% came from tuition and fees. The remainder came from local property taxes, federal funding, and other income. Historically, tuition and fees have grown as a percentage of revenue, as has other income, while State general aid, local support, and federal funding have decreased as a percentage of total revenues since FY 2019.

State Funding Beyond General Aid

As the largest portion of total State funding for the community colleges, annual general aid represents nearly two-thirds of the State dollars flowing to the colleges for FY 2026, as shown in **Figure 1**. The category includes annual appropriations for summer joint enrollment and nonpublic school concurrent enrollment.

Figure 1 — FY 2026 State Funding from All Funding Sources for Community Colleges by Category



Restricted State Funding by Category

The community colleges receive additional State dollars from a variety of funding streams as restricted revenue because the use of the funds is restricted to purposes specified in statute.

More Information

Department of Education — Community Colleges:

educate.iowa.gov/higher-ed/community-colleges

LSA Calculations

LSA Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

The categories of restricted State funding for the community colleges are as follows:

- Workforce training appropriations from the Skilled Worker and Job Creation Fund (SWJCF) and the Workforce Development Fund (WDF).
- Tax withholding diversions and credits related to job training programs under Iowa Code chapters [260E](#) and [260G](#).
- Receipt of funds from K-12 schools for jointly enrolled students. The K-12 schools receive additional State aid (weighting) for jointly enrolled students. The schools contract with the community colleges, and each contract sets the tuition rate the schools pay the colleges. Due to a lag in reporting, revenue for the current academic year and the most recent year must be estimated.
- Appropriations and transfers for the Corrections Education Program through the Department of Corrections.

Figure 2 details all sources of State funding for the community colleges for FY 2024, FY 2025, and FY 2026.

Figure 2 — State Funding from All Funding Sources for Community Colleges

	Actual FY 2024	Actual FY 2025	Estimated FY 2026	FY 2026 vs FY 2025 vs
State General Aid:				
General Aid (General Fund)	\$ 228,858,161	\$ 235,858,161	\$ 243,358,161	\$ 7,500,000
Summer Joint Enrollment	600,000	600,000	600,000	0
Nonpublic Concurrent Enrollment	1,000,000	1,000,000	1,000,000	0
Subtotal State General Aid	\$ 230,458,161	\$ 237,458,161	\$ 244,958,161	\$ 7,500,000
Corrections Education:				
General Fund	\$ 2,608,109	\$ 2,608,109	\$ 3,108,109	\$ 500,000
Other Funds	500,000	500,000	500,000	0
Subtotal Corrections Education	\$ 3,108,109	\$ 3,108,109	\$ 3,608,109	\$ 500,000
Workforce Training:				
ACE Infrastructure - SWJCF	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0
Apprenticeship Training - WDF	3,000,000	3,000,000	3,000,000	0
Job Training - WDF	4,750,000	4,750,000	4,750,000	0
GAP Tuition Fund - SWJCF	2,000,000	2,000,000	2,000,000	0
Adult Literacy for the Workforce - SWJCF	500,000	500,000	500,000	0
PACE and Regional Sectors - SWJCF	5,000,000	5,000,000	5,000,000	0
Work-Based Learning Intermediary Networks - SWJCF	1,500,000	1,500,000	1,500,000	0
Skilled Workforce Tuition Grant - SWJCF	5,000,000	5,000,000	5,000,000	0
Workforce Training and Econ. Dev. Funds - SWJCF	15,100,000	15,100,000	15,100,000	0
Workforce Prep. Outcome Reporting System - SWJCF	200,000	200,000	200,000	0
Adult Ed and Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0
Subtotal Workforce Training	\$ 48,550,000	\$ 43,050,000	\$ 43,050,000	\$ 0
Revenue from Concurrent High School Enrollment ⁵	\$ 50,990,880	\$ 57,666,536 *	\$ 65,216,161 *	\$ 7,549,624
Withholding Tax Diversions and Credits:				
ACE Withholding Tax Credits (260G) ⁵	\$ 5,430,249	\$ 3,786,542 *	\$ 4,218,546 *	\$ 432,004
Industrial New Jobs Training (260E)	41,391,051	39,661,826 *	38,886,705 *	(775,121)
Subtotal Withholding Tax	\$ 46,821,300	\$ 43,448,368	\$ 43,105,251	\$ (343,117)
Total	\$ 379,928,450	\$ 384,731,174	\$ 399,937,682	\$ 15,206,507

Notes:

- 1) Corrections Education Other Funds are allocated at the discretion of the Department of Corrections and include receipts from the Telephone Rebate Fund, Institution Canteen Funds, and the balance brought forward from the previous fiscal year.
 - 2) The Workforce Development Fund (WDF) is administered by the Iowa Economic Development Authority, and training services are provided by community colleges. The funding is provided through a standing appropriation.
 - 3) The Skilled Worker and Job Creation Fund (SWJCF) collects up to \$63.8 million in gambling revenues.
 - 4) Revenue from Concurrent High School Enrollment is estimated by using estimated revenue from school aid weightings, adjusted by the average percentage difference between estimated revenue from school aid weightings and actual revenue from concurrent enrollment in FY 2017 through FY 2023.
 - 5) ACE Withholding and 260E Tax Credits - Estimated amounts (*) represent the Department of Revenue October 2024 projections. Actual amounts in earlier years may continue to be updated as claims are verified.
 - 6) Totals may not add due to rounding.
- * Estimated (appears after the amount). All remaining figures represent Actuals.